

Administrator, on his or her own motion, will terminate the plan and deduct the allowances required to be surrendered under paragraph (e)(3)(ii) of this section.

(D) Where a substitution unit and the Phase I unit designating the substitution unit in an approved substitution plan have a common owner, operator, or designated representative during a year, the plan shall not be terminated under paragraphs (e)(3)(iv)(A), (B), or (C) of this section with regard to the substitution unit if the year is as specified in paragraph (e)(3)(iv)(D)(1) or (2) of this section and the unit received from the Administrator for the year, under the Partial Settlement in *Environmental Defense Fund v. Carol M. Browner*, No. 93-1203 (D.C. Cir. 1993) (signed May 4, 1993), a total number of allowances equal to the unit's baseline multiplied by the lesser of the unit's 1985 actual SO₂ emissions rate or 1985 allowable SO₂ emissions rate.

(1) Except as provided in paragraph (e)(3)(iv)(D)(2) of this section, paragraph (e)(3)(iv)(D) of this section shall apply to the first year in Phase I for which the unit is and remains an active substitution unit.

(2) If the unit has a Group 1 boiler under part 76 of this chapter and is and remains an active substitution unit during 1995, paragraph (e)(3)(iv)(D) of this section shall apply to 1995 and to the second year in Phase I for which the unit is and remains an active substitution unit.

(3) If there is a change in the owners, operators, or designated representative of the substitution unit or the Phase I unit during a year under paragraph (e)(3)(iv)(D)(1) or (2) of this section and, with the change, the units do not have a common owner, operator, or designated representative, then the designated representatives for such units shall submit a notification to terminate the plan so that the plan will terminate as of January 1 of the calendar year during which the change is made. If the plan is not terminated in accordance with the prior sentence, the Administrator, on his or her own motion, will terminate the plan and deduct the allowances required to be surrendered

under paragraph (e)(3)(ii) of this section.

[58 FR 3650, Jan. 11, 1993, as amended at 58 FR 40747, July 30, 1993; 59 FR 60230, 60238, Nov. 22, 1994]

§ 72.42 Phase I extension plans.

(a) *Applicability.* (1) This section shall apply to any designated representative seeking a 2-year extension of the deadline for meeting Phase I sulfur dioxide emissions reduction requirements at any of the following types of units by applying for allowances from the Phase I extension reserve:

(i) A unit listed in Table 1 of § 73.10(a) of this chapter;

(ii) A unit designated as a substitution unit in accordance with § 72.41; or

(iii) A unit designated as a compensating unit in accordance with § 72.43, except a compensating unit that is a new unit.

(2) A unit for which a Phase I extension is sought shall be either:

(i) A control unit, which shall be a unit under paragraph (a)(1) of this section and at which qualifying Phase I technology shall commence operation on or after November 15, 1990 but not later than December 31, 1996; or

(ii) A transfer unit, which shall be a unit under paragraph (a)(1)(i) of this section and whose Phase I emissions reduction obligation shall be transferred in whole or in part to one or more control units.

(3) A Phase I extension does not exempt the owner or operator for any unit governed by the Phase I extension plan from the requirement to comply with such unit's Acid Rain emissions limitations for sulfur dioxide.

(b) To apply for a Phase I extension:

(1) The designated representative for each source with a control unit may submit an early ranking application for a Phase I extension plan in person, beginning on the 40th day after publication of this subpart in the FEDERAL REGISTER, between the hours of 9 a.m. and 5 p.m. Eastern Standard Time at Acid Rain Division, Attn: Early Ranking, U.S. Environmental Protection Agency, 501 3rd Street NW., 4th floor, Washington, DC; or send the application by regular mail, certified mail, or overnight delivery service to Acid Rain

Division, Attn: Early Ranking, U.S. Environmental Protection Agency, 6204 J, 401 M Street, SW., Washington, DC 20460.

(2) By February 15, 1993:

(i) The designated representative for each source with a control unit shall submit a Phase I extension plan as a part of the Acid Rain permit application for the source, and

(ii) The designated representative for each source with a unit designated as a transfer unit in any plan submitted under paragraph (b)(2)(i) of this section shall incorporate in the Acid Rain permit application each such plan.

(c) *Contents of early ranking application.* A complete early ranking application shall include the following elements in a format prescribed by the Administrator:

(1) Identification of each control unit. All control units in an application must be located at the same source. If the control unit is not a unit under paragraph (a)(1)(i) of this section, a substitution plan or a reduced utilization plan governing the unit shall be submitted by the deadline for submitting a Phase I permit application.

(2) Identification of each transfer unit. A unit shall not be a transfer unit in more than one early ranking application.

(3) For each control and transfer unit, the total tonnage of sulfur dioxide emitted in 1988 plus the total tonnage of sulfur dioxide emitted in 1989, divided by 2. The 1988 and 1989 tonnage figures shall be consistent with the data filed on EIA form 767 for those years and the conversion methodology specified in Appendix B of this part.

(4) For each control and transfer unit:

(i) The projected annual utilization (in mmBtu) for 1995 multiplied by the projected uncontrolled emissions rate (i.e., the emissions rate in the absence of title IV of the Act) for 1995 (in lbs/mmBtu), divided by 2000 lbs/ton.

(ii) The projected annual utilization (in mmBtu) for 1996 multiplied by the projected uncontrolled emissions rate (i.e., the emissions rate in the absence of title IV of the Act) for 1996 (in lbs/mmBtu), divided by 2000 lbs/ton.

(5) For each control and transfer unit, the number of Phase I extension reserve allowances requested for 1995 and for 1996, not to exceed the difference between:

(i) The lesser of the value for the unit under paragraph (c)(3) of this section and the value for the unit for that year under paragraph (c)(4) of this section, and

(ii) Each unit's baseline multiplied by 2.5 lb/mmBtu, divided by 2000 lbs/ton.

(6) Documentation that the annual emissions reduction obligations transferred from all transfer units to all control units do not exceed those authorized under this section, as follows:

(i) For each control unit, the difference, calculated separately for 1995 and 1996, between:

(A) The control unit's allowance allocation in Table 1 of § 73.10(2) of this chapter, the allocation under § 72.41 if the control unit is a substitution unit, or the allocation under § 72.43 if the control unit is a compensating unit; and

(B) The projected emissions resulting from 90% control after installing the qualifying Phase I technology, i.e., 10% of the projected uncontrolled emissions for the control unit for the year in accordance with paragraph (c)(4) of this section.

(ii) The sum, by year, of the results under paragraph (c)(6)(i) of this section for all control units.

(iii) The sum, by year, of Phase I extension reserve allowances requested for all transfer units.

(iv) A showing that, for each year, the sum under paragraph (c)(6)(ii) of this section is greater than or equal to the sum under paragraph (c)(6)(iii) of this section.

(7) For each control and transfer unit, the projected controlled emissions for 1997, for 1998, and for 1999 calculated as follows:

Projected annual utilization (in mmBtu) multiplied by the projected controlled emission rate (in lbs/mmBtu), divided by 2000 lbs/ton.¹

¹In the case of a transfer unit that shares a common stack with a unit not listed in Table 1 of § 73.10(a) of this chapter and whose